

Federal Income Tax Changes – 2021

Course Description

Each year, various limits affecting income tax preparation and planning change. Some changes commonly occur each year as a result of inflation indexing, while others occur because of new legislation or the sunset of existing law. This course will examine the tax changes that took effect as a result of passage of the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act), the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the inflation-changed limits effective for 2021 that are more significant from the perspective of an income tax preparer. Some context will be supplied, as appropriate, to assist readers in understanding the changes.

Completion Deadline & Exam: This course, including the examination, must be completed within one year of the date of purchase.

Course Level: Overview. This program is appropriate for professionals at all organizational levels.

CPE Credits: 6 (CPA, EA)

Category: Taxation

Prerequisite: None

Advanced Preparation: None

Course Learning Objectives

Chapter 1

After reading this chapter, you should be able to:

1. Identify the individual income tax rate changes affecting taxpayers;
2. Calculate the standard mileage deductions;
3. Identify the 2021 standard deduction amounts available to taxpayers;
4. Recognize the changes made to the alternative minimum tax exemption amount for 2021;
5. Apply the tax-free United States savings bond income limits for taxpayers who paid qualified higher education expenses in 2021;
6. Calculate the tax-deductible premiums for and tax-free benefits received under qualified long-term care insurance contracts;
7. Determine the amount of assets that may be passed tax-free at death; and
8. Identify the qualified business income (QBI) threshold amount.

Chapter 2

After reading this chapter, you should be able to:

1. Calculate the retirement savings contribution credit available to eligible taxpayers;
2. Recognize the rules and income limits applicable to eligibility for the earned income credit; and
3. Apply the adoption credit rules.

Chapter 3

After reading this chapter, you should be able to:

1. Identify the changes effective in 2021 related to the:
 - a. Health flexible spending arrangement contribution limits;
 - b. Small business health care tax credit; and
 - c. Large employer shared responsibility provision.

Chapter 4

After reading this chapter, you should be able to:

1. Recognize the eligibility rules applicable to Archer MSAs and HSAs;
2. Calculate the maximum contributions that may be made to an Archer MSA;
3. Apply the tax treatment rules to contributions to and distributions from Archer MSAs and HSAs;
4. Calculate the traditional IRA tax deduction available to a taxpayer who is an active participant in an employer-sponsored retirement plan; and
5. Recognize the MAGI limits that apply to a taxpayer's eligibility to make a Roth IRA contribution.

Chapter 5

After reading this chapter, you should be able to:

1. Apply the recovery rebate tax rules;
2. Describe the tax treatment of payments to small businesses under the Paycheck Protection Program;
3. Recognize the rules related to unemployment benefits under the Pandemic Unemployment Assistance program;
4. Identify the rules concerning expanded tax-favored use of retirement funds;
5. Identify the changes to net operating loss (NOL) carryback rules;
6. Apply the changes in charitable contribution rules;

7. Describe the changes in health savings account (HSA) rules related to first-dollar payment for telehealth and COVID-19 testing and treatment;
8. Apply the rule changes to qualified improvement property depreciation; and
9. Recognize the rules related to various miscellaneous provisions.